

Privatising state workers: The case of academics*

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The re-election of the Hawke Labor Government in July 1987 and the appointment of John Dawkins to the portfolio of Employment, Education and Training, marked the beginning of a great period of turmoil in education generally and higher education in particular. These changes, as with a number of initiatives in other policy areas, were further evidence that the Labor Government had adopted, as a central organising principle of public policy, the Organisation of Economic Co-operation and Development (OECD) notion of structural adjustment (OECD, 1987).

Much of the discussion about changes in higher education have focused on specific issues such as the establishment of a unified national system of higher education institutions, research funding and the relationship between institutions and the Commonwealth Government and the changes in management-labour relations within institutions (e.g. *Australian Universities Review*, 1988; *Academy of Social Sciences*, 1988; Harman and Meek, 1988; Junor and O'Brien, 1989). To understand the deeper significance of these issues, it is therefore appropriate to locate these changes within the context of a shifting discourse about, and organisation of, the state sector in general and state employment, in particular. This paper, then, will review the changes in the discourse about, and organisation of, the state, the mobilisation of private sector models in state employment and to what extent these changes are reflected in the higher education sector.

Since the 1950s, higher education in Australia and elsewhere, has become an activity which has been largely sustained by funds from government. Until the 1970s the states played a significant, but decreasing role, in the funding of higher education, but since 1974 the Commonwealth Government has provided most of the capital and recurrent funds for the sector. This has provided strong legitimacy for the claim, made increasingly by government, that higher education cannot expect to function without a considerable degree of state direction and supervision. As the provider of

funds, moreover, the Commonwealth has a growing interest in industrial relations in the sector. The Commonwealth, for instance, was directly involved in negotiations arising from the second tier wage guidelines in 1987 and 1988 and the implementation of the structural efficiency principle through award restructuring in 1989 and into 1990.

For the most part, however, staff in the higher education sector are not direct employees of government. Indeed a part of the claim that institutions are autonomous resides in the fact that their labour is employed by each institution, not by the state. In addition, working conditions of academic staff, although not of non academic staff, have been largely determined by a process of custom and practice, for the most part, evolved at the level of the "enterprise".

Only since 1986 have both salaries and working conditions of academics been subject to determination by federal industrial tribunals, although such bodies in the various states have played some role since the 1950s. Ironically the centralised industrial regulation of academic work has proceeded against the background of growing demands for more bargaining at the enterprise level (e.g. Niland, 1989; Business Council of Australia, 1989).

The higher education sector, particularly the universities, was concerned to assert its autonomy both in educational and employment terms from the state. It was wary, however, of adopting models of work organisation and employment derived explicitly from the private sector. The key manifestation of this preference, as far as academics were concerned, was the notion that academic work was *sui generis*. Remuneration of academics, therefore, should not bear a direct relationship to specific labour markets in the private sector (Eggleston, 1964). While it was regarded as legitimate to make comparisons with professional employment classifications within the public sector, it was not considered appropriate to make explicit comparison with similar groups within the private sector (O'Brien, 1989a, 1989b).

The concept of *sui generis* was, moreover, reinforced by the notion that academics did not have an "industrial" relationship with the institutions that employed them. Industrial relations implies conflict. No such relation could exist in higher education

institutions which constituted a community bound together by a common purpose of intellectual endeavour and not primarily concerned with the relative distribution of material rewards (Murray 1957). These assumptions, of course, mystified the existence of divisions within communities, nevertheless the virtual absence of overt industrial disputation within higher education institutions, gave credence to the notion that such places were unique communities which were quite distinct from the broader society.

The decision by the Industrial Relations Commission to redesignate academic salaries as minimum rates awards, represents a significant departure from the notion that academic work is *sui generis*. Mr Commissioner Baird argued that the paid rates nature of academic salaries awards had been so widely breached through the payment of over award loadings that there was little choice but to recognise them as minimum rates awards (AIRC 22-23 October 1989). The loadings had been paid because areas such as accounting and computer studies could not compete with salaries that could be commanded in the private sector. This abandonment of the notion of academic work as *sui generis* should not, however, be seen just as part of a process initiated by John Dawkins. It is, in a more fundamental way, a reflection of changes in the role of the state and in the nature of state employment.

In recent times much attention has been given to the notion of discourse and its relationship to material and structural changes. While this is an area of some disputation, it is reasonable to hold the view that shifts in structural arrangements are usually accompanied by and are, perhaps, the results of, a shift in re-ordering of legitimating rhetoric. In the context of this paper, it is worth examining the shifts in discourse or legitimising rhetoric when looking at the changes in public administration and employment in Australia in the 1970s and 1980s.

Arguably recent changes in both rhetoric and arrangements within the public sector can be traced to the Royal Commission on Australian Government Administration chaired by Dr H.C. Coombs in the mid-1970s. The Coombs enquiry marks a crossing point between the legitimising

rhetoric of the modern welfare state as a mechanism for some distribution of the social product, to the rhetoric of accountability, efficiency and effectiveness more characteristic of recent discourse about the organisation of state administration and employment (Coombs, 1976). The work of the Coombs Commission and later of Peter Wilenski in New South Wales tried to reorient the social democratic concept of the state, which seemed to prosper during the great post-war boom, to the harsher environment of the growing fiscal crisis of the state which characterised the later 1970s and 1980s.

Wilenski's promotion of Equal Employment Opportunity (EEO) in the public sector will illustrate this point. EEO could be promoted and defended as an attempt to provide greater access to state employment to groups under-represented in the more senior levels of that sector. The impetus was justice, based on the liberal notion of citizenship, although justice was more likely to be expressed as the somewhat weaker concept of "equity". The managerial justification for EEO, was, however, greater efficiency. It was more efficient to remove barriers to certain groups and thus the pool of able persons could be expanded in the interests of better public administration. Merit could replace seniority in state employment and so the sometimes competing claims of equity and efficiency could be satisfied (Wilenski, 1977, pp. 231-244).

EEO, despite the great resistance to it, both in concept and practice, stood squarely within an updated social democratic and technocratic consensus. In the context of the late 1970s and 1980s, this redefined consensus stood in contrast with the more severe prescriptions about state services which emanated from the "New Right" radical-liberal assault upon the concept of the welfare state. But even as late as 1985, Wilenski still argued that the 1984 amendments to the Commonwealth Public Service Act, which incorporated both EEO and industrial democracy provisions, constituted a concerted attempt to establish an administration which was "more democratic" and "more equitable", "both in relation to its own workforce and to the delivery of government services" (Wilenski, 1985).

While the programs promoted by Wilenski in New South Wales and in the Commonwealth attempted to balance notions about democracy, equity and efficiency the discourse of efficiency and effectiveness was becoming pre-eminent in declarations about public administration. This rhetoric tended to subsume the more explicitly social democratic concepts of access and equity. Nevertheless the need to give some assent to the importance of these notions remains a necessity, even if the actual changes in

administrative arrangements themselves have moved beyond the attempt by Wilenski to maintain some compromise between social democratic legitimacy and fiscal discipline.

In recent years a number of specific approaches and practices have been adopted in public employment. These have had the cumulative effect of changing the nature of public employment and more specifically have reflected a way of conceiving the public sector which incorporates and practices hitherto more characteristics of the private sector. There have been, moreover, some attempts to adopt these approaches and practices in the management of higher education institutions and within the sector generally.

There has been a conscious attempt to shift the focus of attention of public sector managers from inputs to outputs and away from processes to outcomes. This process has the effect of shifting attention away from traditional concepts of service to the public, and the processes undertaken to provide that service, to a prime concern with meeting budgetary requirements.

The principal mechanism for reinforcing this shift from inputs to outputs, and from processes to outcomes has been the widespread adoption of program performance budgeting. This approach to public finance claims to be a more precise way of comparing the costs and effectiveness of achieving policy objectives. It is based on the assumption that disputes about the allocation of public funds to areas such as health, education and welfare transfers are essentially technical. They are not regarded as consequences of political conflicts.

First developed in the United States, this method of budgeting was intended to strengthen the power of the executive over the legislature in order to assist a shift of resources away from the public sector into the private corporate sector. While the demands for continuing legitimisation made this overall objective difficult to achieve, the technical device of program budgeting has been widely adopted in public settings and has become one of the principal methods of restraining public expenditure in the context of the growing fiscal crisis of the state in the 1970s and 1980s (O'Connor, 1973, pp. 75-76; Junor, 1989, pp. 71-72).

Program budgeting has been tested and reinforced by widespread adoption of performance indicators. They are used to evaluate the "effectiveness" of a program and to measure to what degree the "outputs" or "outcomes" have met the objectives of the programs. The notion of "effectiveness" is linked with the notion of "efficiency" by using indicators to measure to what extent "inputs" are converted to "outcomes". A program which is deemed to be both efficient and effective is that

which achieves the desired output with a minimum of input (Junor, 1989, pp. 72-73).

Program performance budgeting and performance indicators are, however, technical devices to be used to foster a corporate sector derived notion of "new" managerialism applied to the public sector (Considine, 1988; Yeatman, 1989). Central to the operation of "new" or "corporate" managerialism are the imperatives of "management for results", and "let the managers manage". The first focuses on "results" which can be tested and verified by devices such as program budgeting and performance indicators. Management strategies are regarded as central to economic success, particularly within the context of the wide ranging structural adjustment of the economy.

The private sector notion that success derives from out-performing competitors is imported into the public sector. In the absence of direct competitors, however, the emphasis in the public arena is on identifying and concentrating on a limited number of strategic objectives, rather than on developing and following detailed procedures. While competition is not present, the desirable results of market operation are imputed to the public sector and mechanisms are established to simulate their operation. It is based on the assumption that management principles are generic and that there is no reason why these principles cannot be applied to the public sector even if it does not match in detail their application in the private competitive sector.

Associated with the emphasis on defined objectives and testable results is the notion of devolution of responsibility. There the emphasis is on responsibility being taken for programs as far as possible down the management line. The hierarchical organisation of the public service is maintained, but the responsibility for meeting program objectives within designated budgets is reinforced down the line.

Preference is given to decision making based on risk management, rather than merely the avoidance of risk, although this can run counter to broader accountability requirements. Nevertheless managers are expected to be strong leaders who can clearly identify operational goals and program objectives which are increasingly expressed in terms of service to customers, rather than depending on a more abstract notion of public or community service. Rhetoric such as "management for results", "risk management" and "management for change" has pervaded much of the work senior public sector management ideologists in recent years such as Ron Cullen in Victoria and Michael Keating at the Commonwealth level and even perhaps Peter Wilenski himself (Cullen, 1986, 1987; Keating, 1989; Wilenski, 1988).

*This paper was first presented to the Annual Conference of the Australian Sociological Association, La Trobe University, 8-12 December 1989.

This corporate management model of public management, derived explicitly from private sector management discourse, attempts to enforce a more explicit distinction being made between policy considerations and operational goals and there is a strong tendency towards substituting questions of value with a focus on problems of technique.

This is not, however, crude instrumentalism. Even sophisticated public management ideologists such as Peter Wilenski, in the attempt to preserve something of a social democratic approach cites, for instance, a statement by a director of McKinseys management consultancy that the manager of the future will need to combine cost consciousness with "creativity and caring". In doing so, there is an invocation of the "human relations" school of modern management which argues that instrumentalism is not good business practice (Wilenski, 1988a, p. 220). A variation of this approach is the "people skills" emphasis of modern management rhetoric. Chief ideologue of the Senior Executive Service unit of the Commonwealth Public Service Commission, John Baker argues that management of people is the key skill for the manager in both the public and private sectors (Baker, 1989).

Devolution of responsibility does not, however, necessarily imply the decentralisation of control. While managers at various levels are encouraged to show initiative and take risks, the hierarchical imperative of control "up the line" still operates. The rhetoric of devolution is used to legitimise the reality of greater centralised control within the increasing fiscal difficulties facing the welfare state. Indeed the demands for greater decentralisation and devolution of the 1960s and 1970s have been reinterpreted in the 1980s in the interests of greater central control. Bob Bessant, for instance, has analysed the adoption of the corporate management model in reasserting central control of the curriculum in Victorian schools. Victoria had been in the forefront of school-based curriculum since the 1960s (Bessant, 1988).

There had been a conscious attempt to promote decentralised curriculum development, as well as a devolution of responsibility (Hannan 1985). In the 1980s, however, the idea of devolution has been separated from decentralisation and the corporate management model has been adopted as a means of reasserting central control over curriculum while preserving the rhetoric of devolved responsibility (Bessant, 1988).

Bessant argues that corporate managerialism is a process whereby policies and operational goals are decided at the top of the hierarchy, communication "up the line" takes the form of reporting, through

the use of such mechanisms as program budgeting and performance indicators to implement the goals. Behind the rhetoric of devolution of responsibility is the reality of corporate management as a key strategy of the reassertion of central control (Bessant, 1988, pp. 22-23). In New South Wales management consultant Brian Scott has been even more explicit in mobilising a corporate management model in his recommendations for the administrative reorganisation of schooling and TAFE provision in that state (Scott 1989a, 1989b). The rhetoric of administrative devolution is used to legitimise centralised political and financial control.

This shift in management strategy in the public sector has required a redefinition of the nature of public employment. Private or corporate sector mechanisms have therefore been increasingly adopted in the public sector.

During the 1980s a number of the state public services and the Commonwealth have adopted employment mechanisms such as the establishment of Senior Executive Services, contract employment, and a partial recasting of public sector remuneration patterns along private sector lines. This has involved the adoption of performance pay and remuneration packages involving fringe benefits as well as increased monetary rewards. The degree to which this has happened has varied from sector to sector. At one end of the spectrum Victoria and the Commonwealth have been cautious in their approach, while in New South Wales, since the accession of the Greiner Government, private sector mechanisms have been adopted with much greater enthusiasm.

Central to this reorganisation has been the adoption of a Senior Executive Service. The Commonwealth Public Service has long had an elite management group residing in the first and second divisions of the former organisation. The first division were the "Mandarins" and many in the second division aspired to join them. The Commonwealth Public Service, therefore, has always possessed an elite management group which was functionally and ideologically distinct from the bulk of public employees. The adoption of the SES mode of senior management is a variation on a long standing arrangement.

The old first and second divisions stood at the top of a large career service. Despite their distinctiveness, there was an organic link between the career service, most of whom would never achieve senior management status, and those few that did so. A career service based on a limited form of career mobility legitimised the notion of management which was regarded as distinctly appropriate to the public sector.

So it is not the establishment of the SES *per se* which establishes a distance between the elite management group and the mass of the

public service. Rather it is the mechanisms adopted to test, measure and reward the senior managers which undermines the concept of a career service and more traditional relationships between management and labour in the public sector.

The establishment of limited term contracts for senior managers arguably undermines most significantly the concept of a career service. When contracts are, moreover, linked with performance pay the logic of private sector remuneration practices being imported into the public sector becomes most explicit. While these mechanisms are defended in terms of "productivity", and "efficiency", they assume private sector mechanisms for measuring these qualities can be adopted without contradiction in the public sector.

These contradictions are starkly revealed when the remuneration practices adopted in the government commercial enterprise sector are examined and compared with the non-commercial sector of public employment. When government enterprises are operating in the private sector or providing monopoly services at commercial rates, the logic of competition requires that remuneration should match those of equivalent private sector enterprises. This is much more difficult to do in non-profit departments and agencies. The provision of cars for Commonwealth SES officers, while pretending they do not constitute a condition of service, highlights the difficulties in this approach.

Yet if the work of public officials is to be assessed according to private sector criteria, it is hardly surprising that senior public officials seek equivalent reward for their efforts. In the absence, however, of a general deregulation of senior public service remuneration, it is therefore not surprising that market sensitive officials leave the public service for the apparently greater rewards of the private sector. One aspect of this process has been the "revolving door" syndrome, where public servants in market sensitive areas leave the public service and then return as consultants, often to departments and authorities that they have left. Indeed the practice has recently attracted the attention of the Commonwealth Parliament Public Accounts Committee in its enquiries about the costs of consultancy to the Commonwealth public sector (*Canberra Times*, 1 December 1989).

The Hawke Labor Government's reorganisation of the Commonwealth Public Service began with the appointment of John Dawkins as Minister assisting the Prime Minister on public service matters. The initial changes were institutionalised in the Public Service Reform Act 1984 which included the establishment of Senior Executive Service, the integration of financial and staffing decisions by transferring powers hitherto exercised by the

Public Service Board to Departmental Secretaries and to the Department of Finance, as well as initiatives in the areas of industrial democracy and equal employment opportunity (Nethercote, 1986).

After the 1984 election Dawkins was appointed Minister for Trade and set about reorganising that Department along much more explicitly corporate management lines. Dawkins developed a reputation not only as an interventionist Minister in policy matters, but also a prime force in the managerial reorganisation of that Department. He continued that process on his appointment as Minister for Employment, Education and Training after the 1987 federal election.

While it is not suggested that political and administrative changes can be attributed solely to the agenda and style of one person, it was hardly surprising that Dawkins set about a major recasting of education policy and management after his appointment as Minister. Indeed the publication of *Higher education: A policy discussion paper* (the Green paper) in December 1987 (Dawkins 1987) and *Higher education: A policy statement* (the White paper) in June 1988 (Dawkins 1988), as well as bringing about major changes in higher education policy, also attempted to apply the model of corporate managerialism to the higher education sector itself.

To a considerable extent, however, the *Review of efficiency and effectiveness in higher education* set in place the discourse, and recommended many of the mechanisms, which would be necessary to underpin the Dawkins intervention. By adopting a fairly crude "inputs-outputs" approach to assessing the efficiency and effectiveness of higher education, the *Review* legitimised the rhetoric and concepts used widely in the private sector. The *Review* was, nevertheless, careful to caution against a too simple application of this approach to the higher education sector by warning that its operations were not always "amenable to detailed statistical and financial analysis" (Hudson, 1986, p. 3). These qualifications, however, lost much of their impact in the face of the less subtle approach adopted by the Green and White papers.

The *Review* had tried to maintain the "education as a public good" discourse, while attempting to accommodate the sector to the more corporate approach of a government determined to gain efficiency dividends from all parts of the Commonwealth activities amidst the economic difficulties of the mid-1980s. Like Wilenski, the members of the *Review* committee tried to preserve the benefits of the old regime within the realities of the new order. Indeed one member of the *Review* committee, Peter Karmel, suggested as much in 1987 (Karmel, 1987). He seemed less impressed with what transpired after the Dawkins intervention (Karmel, 1989).

The *Review* made a number of recommendations on institutional management practices and academic employment structures which were adopted in a more aggressive manner by the Green and White papers. In particular, they drew a sharp distinction between the policy responsibilities of government bodies of higher education institutions and the necessity for those bodies to delegate extensive managerial responsibilities to their chief executive officers.

While emphasising the need for institutions to manage their resources more effectively, the representative model of institutional governance was not questioned by the *Review*. The Dawkins documents, however, emphasised the need to modify this representative role and for governing bodies to be reduced in size and to operate in a manner equivalent to a board of directors or trustees whose members were not directly answerable to specific constituencies within the communities they served (Dawkins, 1987, p. 51 and 1988, pp. 102-103).

The Green and White papers asserted the power of the senior management of institutions. Chief Executive Officers should consult widely but exercise real power not constrained too much by more arcane practices of collegiality. Deans should, moreover, be appointed by Chief Executive Officers, not elected by their academic constituencies. There should also be a significant rationalisation of the often complicated mode of government by committee within institutions (Dawkins, 1987, p. 50; 1988, p. 103). Just as changes in the administrative services of the state have been characterised by an attempt to promote a shift away from a traditional public sector culture towards a more explicitly corporate approach of the private sector, so too has there been an attempt to redirect the management of higher education institutions away from the tradition of collegiality.

While the changes in the management of the public sector have been accompanied by a requirement for managements to draw up plans for industrial democracy, the higher education tradition of participative collegiality has been called into question. While power in higher education institutions is not shared equally among members of the community, the right to participate in decision making has been regarded as legitimate for at least full time academic members of the community. A division of labour has existed between those academics who exercised managerial functions and those who exercised teaching and research functions, but the notion that they were all part of a community bound together with largely common objectives has been pervasive in higher education institutions.

The much stronger emphasis on the need for stronger management within institutions,

together with a downgrading of collegial traditions and practices are designed to separate, in a much more distinct way, the functions of academic managers from the activities of academic employees. While industrial democracy schemes are designed, at least at the level of rhetoric, to promote commonality of purpose, the assault on collegiality is more likely to bring about a much sharper distinction being drawn between management and labour in higher education institutions.

This stronger managerial focus within institutions was to be matched and reinforced by changes in relationships between institutions and funding authorities. Until the Dawkins reforms the Commonwealth Tertiary Education Commission (CTEC) had acted as a buffer between institutions and the government. It was the institutional manifestation of the notion that higher education institutions were special communities which needed to be protected from the overt state supervision. CTEC served the role of the co-ordinator of a broad higher education policy community (Marshall, 1988). The National Board of Employment, Education and Training and its constituent Councils were, however, to be under direct Ministerial control and programs were to be administered directly by DEET.

The negotiation of profiles between institutions and DEET required that senior management exercise a wider managerial prerogative than was usually assumed within a collegial model of administration. In seeking to enforce the responsiveness of institutions to the government's designated national policy objectives, the government needed to promote the maximum flexibility in the capacity of institutions to implement new policies, with a minimal time lag between making and implementing decisions (Dawkins 1988, p. 103).

This was to be achieved by detaching senior management from at least some of the time consuming procedures said to be characteristic of collegial decision making structures. Chief Executive Officers were, therefore, to become the principal agents of a corporate, rather than a collegial, mode of management. The government, therefore, expected that the governing bodies of institutions would delegate clear responsibility and authority to their Chief Executive Officers to implement agreements with the Commonwealth, and hold them responsible for that implementation (Dawkins, 1988, pp. 103-104).

While the total elimination of collegial structures was neither contemplated nor expected, management heads of institutions were expected to be at least as much instruments of government policies as advocates of institutional interests. The redefined model of public management along corporate lines was explicitly applied

to higher education institutions, albeit within the contradictory framework of a collegial tradition.

This realignment of management was to be matched by making academic labour more responsive to the operations of the market sector. While teaching and research of a traditional kind was not to be abandoned, the notion that academic work only flourished "in carefully nurtured settings differentiated from the broader society" (Hinkson, 1988, p. 22) was to be challenged by a more explicit alignment of higher education to market forces, buttressed by greater state supervision to ensure that responsiveness.

Teaching and research were to be regarded as not only having considerable use value, but were also to be considered as commodities to be given "exchange value" on the basis of consumer preference. Activities most in demand in the marketplace were to be designated as "national priorities" and rewarded with additional funds. Academics, therefore, were to be encouraged to do more consulting work, to undertake more contract research and to be generally more entrepreneurial and market-oriented in their activities.

Industry and commerce, accordingly, were to be urged to become more involved in curriculum developments, sponsor research activity and even provide funding for academic staff positions in areas of direct relevance to their priorities (Blackmore and Kenway, 1988). These measures were designed to align academic work more explicitly to private sector activity, with the state adopting policies to assist that process (O'Brien, 1989, p. 102).

The redefinition of academic work according to market forces is matched by the application of market criteria to the provision of education services. The difficulty in containing the application of these forces is illustrated by the experience of marketing education services to overseas "customers" on a full cost recovery basis. Once education is redefined as a commodity for exchange and not a social good, there is no logical barrier to applying the same principles to the local education market through the imposition of fees and charges (Marginson, 1989). This is not to underestimate the political difficulties of such a course. Indeed the adoption of "delayed" fees through the graduate tax (Wran, 1988), rather than "up-front" fees is testimony to the lack of support among the Australian middle classes to the full commodification of education. Even Susan Ryan, who fought a long rearguard action against fees, had to acknowledge the logical difficulties in charging overseas "customers", but not doing so for local "customers" (Ryan, 1987).

The establishment of a peripheral, but yet to be consolidated private higher education

sector, reinforces the privatising pressures in the public sector. The Commonwealth has adopted a laissez-faire approach to these developments. Perhaps of more immediate importance are the private initiatives taking place within existing public institutions such as the joint private sector-University of Melbourne Graduate School of Management and the proposed association between Monash University and the private operation Tasman University (*Financial Review*, 21 September 1989) together with a growing trend of business organisations funding professional positions (*Australian*, 1 November 1989).

It is noteworthy that the Vice-Chancellor of the University of Melbourne has reacted sharply to criticisms made by FAUSA in this connection. He had insisted that traditional academic standards will be maintained, despite the significant involvement of private sector funding arrangements. Indeed such initiatives have been defended as means of guarding against domination of institutions by that prime source of funding, the Commonwealth Government (*Australian*, 8 November 1989).

It is difficult to assess the precise effect of these developments on academic work within public institutions. Nevertheless the market-driven imperatives of the private sector do not sit easily with traditional academic procedures, particularly in areas where companies make attempts to limit public criticism by academic staff as is apparently the case in a draft agreement between the University of Technology Sydney and IBM for the provision of management education to IBM employees. The Vice Chancellor of UTS thought such an arrangement was acceptable, provided it only applied to company employees and customers (*Australian*, 1 November 1989).

All of these developments promote, at the very least, a responsiveness within the public higher education sector to practices and procedures more characteristic of the competitive market sector. The process is not without some contradictions, however, as indeed developments within that peculiar arm of the Australian state, the arbitration system, will illustrate.

The decision of the High Court in the State School Teachers' case in 1929 effectively excluded academic unions from seeking registration with the Industrial Relations Commission and its various predecessors. The decision of the High Court in the Australian Social Welfare case in 1983, however, largely removed the barriers to registration. By 1987, three organisations covering college and university academics had succeeded in gaining federal registration. Since that time the two largest unions FAUSA and UACA have been discussing amalgamation (O'Brien, 1989b).

Since achieving registration FAUSA and UACA have sought to codify existing

arrangements in formal awards of the Commission. On the other hand, the registered industrial associations of college and university employers have sought to use national wage decisions and the Commission to modify working conditions of academics which has been well established in custom and practice.

While unions have tried to use the regulated industrial arbitration system to defend working conditions, employers have tried to use it to modify and reduce them. A discussion of the second tier negotiations, the redundancy issue and the structural efficiency principle will illustrate how the industrial system has become the battleground for establishing conditions of academic employment when the institutions they work in are being subject to pressures of privatisation and corporate managerialism imported from the private sector.

The inclusion of academic staff in the formal industrial relations system meant that academic unions could not avoid being caught into the second tier wage negotiations in 1988. The employers argued for productivity and efficiency trade-offs similar to those identified as desirable in the Green paper. These included the establishment of staff appraisal systems, disciplinary and dismissal procedures, and the regulation of leave provisions and redundancy provisions.

Following industrial action in April 1988 by the College sector which was not joined by university academics and intervention by Minister Dawkins, the academic unions were forced to accept a second tier package for a four per cent wage adjustment. The package included provisions for dealing with unsatisfactory academic staff, disciplinary and dismissal procedures were established as well as some provision for the appointment of untenured staff at the senior lecturer level and above. No agreement was reached on redundancy provisions which were to be subject to a separate hearing by the Industrial Relations Commission.

In February 1989 the Industrial Relations Commission accepted in principle that redundancy provisions should apply to academic staff (AIRC, 27 February 1989). The conditions covering those provisions were left for further negotiation between the parties. The employers demanded that Chief Executive Officers of higher education institutions be given wide powers to declare academic staff "surplus to requirements". This was contested by the unions as well as opposition being expressed to the employers' proposals for levels of redundancy payments (O'Brien, 1989b).

On 24 May the three academic unions held a joint national stoppage. This was the first time the unions had acted together on such an issue. College academic members of UACA and the Australian Teachers' Union (ATU) had been involved in limited industrial action over various issues in

recent years. The union covering most university academics, FAUSA, had stood aloof from such actions in the past. The stoppage on redundancy, however, was initiated by FAUSA, and probably reflected university academics' frustration with a range of matters arising from the Dawkins agenda. Following the industrial action a more benign redundancy agreement was reached, although some relatively minor matters were subsequently arbitrated, largely to the employers' advantage (AIRC, 17 November 1989).

The redundancy agreement involving academics contain provisions which are superior to those operating in other parts of the public sector. But unlike many redundancy agreements which constitutes improvements in conditions, the agreement covering academics constitutes a distinct diminution of working conditions. Despite the growing tendency towards limited contract and casual employment, one of the cherished working conditions of the academics is the concept of tenure. It is regarded not just a condition of employment, but also a guarantee of occupational autonomy.

In an ultimate sense the provision of tenure is regarded as a protection for those who teach in and research in "controversial" areas (Kaye, 1989). Tenure was not an absolute guarantee of job security, but an institution contemplating retrenchment of academic staff had to be on very strong grounds and the process was often prolonged and complicated. Managerial prerogative in this area was considerably constrained by custom and practice.

In the private sector, and to a lesser extent in the public sector, managerial prerogative in relation to retrenchment and redundancy was much greater than in higher education institutions. The effect of the Termination Change and Redundancy decision of the Conciliation and Arbitration Commission in 1984 was to modify the untrammelled exercise of managerial prerogative (ACAC, 1984). Redundancy agreements for many workers, therefore, have constituted an improvement in working conditions by limiting the scope of managerial prerogative. In the case of academics, however, a regulation of retrenchment provisions which accepts redundancy under specified conditions, constitutes a diminution of previous working conditions and a significant, if perhaps not severe, modification of one of the valued conditions of academic life, tenure.

In that sense, then, the inclusion of academics in the formal industrial relations system has occasioned a limited, but nevertheless significant assault on academic working conditions. In the context of more deregulated industrial relations, particularly the growing demands for enterprise

bargaining, academic work has been subject to greater industrial regulation. Employers have sought to use the regulated industrial relations system to diminish working conditions, while academic unions have used the system to defend them.

Academic work, therefore, seems to be subject to a number of contradictory tendencies. On the one hand, government decisions are encouraging a greater promotion of managerialism in higher education institutions. This process involves separating academic management more sharply from traditions of community and collegiality. So at the academic enterprise level the contradictions between academic labour and academic management is being made consciously much more explicit than has previously been the case. Academic work, moreover, is being redefined along lines drawn more explicitly from the less regulated and more competitive world of the private sector.

On the other hand, both academic employers and unions are much more likely to use the industrial relations system to regulate the conditions of labour-management relations in the academic setting. The industrial experience of academics in recent times illustrates the contradictions between regulation and deregulation in the Australian industrial relations system. While state employment has in recent years been pushed towards a model which is closer to that more characteristic of the private sector, the state needs to confine that process so that it maintains control over the level of expenditure on public sector employment. The contradictions inherent in this process can be illustrated by reference to the issue of paid and minimum rates industrial awards.

Paid rates awards are much more common in state sector work where career and promotion opportunities provide access to limited but increasing salaries. The institution of paid rates awards provide a much more predictable vehicle for governments for maintaining control over expenditure on public employment.

Until recently the academic salaries structure was based on a paid rates system of awards. As well as providing a mechanism for control of state expenditure, this system also reflected the notion that academic work was *sui generis*. In setting academic salary rates reference was made to levels of remuneration in the public sector such as engineers, scientists and more recently, to teachers.

Nevertheless the notion of fixing academic salaries according to those which could be commanded by some academics in the private sector has been resisted by unions and for the most part, governments. Academic salaries were differentiated horizontally according to the established academic hierarchies, they were not

differentiated vertically according to direct relationships to certain classifications in the private sector (O'Brien, 1990). This was enforced by the Commonwealth Government penalising those institutions which attempted to make over-award payments by making equivalent deductions from their recurrent grants.

The *Review into efficiency and effectiveness*, however, advocated the extension of the principle of clinical loadings to those areas of academic activity experiencing difficulty in recruiting and retraining academic staff because of private sector market pressures. The Green paper proposed, and the White paper confirmed, that the government would remove that financial penalty (Dawkins, 1987, pp. 61-62; Dawkins, 1988, p. 112). Market-related loadings, therefore, became quite common in areas such as accounting and computing.

Private market driven tendencies also became apparent in direct Commonwealth employment. In Commonwealth commercial enterprises salary packages based on private market comparisons were offered to senior executives and limited fringe benefits such as cars were given to SES members. In departments and agencies in New South Wales, senior executives are increasingly being given the option of limited term contracts with increased salaries or job security with less remuneration benefits. For most public servants, however, remuneration has remained at that established in paid rates awards.

The contradictions inherent in this partial deregulation of public sector salaries was illustrated when the Chief Executive of the Overseas Telecommunications Service, George Maltby, made a salaries offer to specialist technical staff which breached wage guidelines established by the Industrial Relations Commission. Maltby's resignation, forced by the Commonwealth Government, for this action illustrates the difficulties faced by government in maintaining public employment expenditure and a centralised wage policy. While governments may see benefits in subjecting public employment to private sector competitive forces, that process needs to be limited by wider policy considerations.

In the 1989 national wage decision the Industrial Relations Commission seemed to express some doubt about the viability of many paid rates awards. Indeed it hinted that they would be converted to minimum rates awards if it could be demonstrated that over award payments were being paid (AIRC, 1989b, pp. 15-16).

Indeed the decision of Commissioner Baird on 24 October 1989 to convert academic salaries to minimum rates awards creates a significant precedent for public sector employment. In Commissioner Baird's view paid rates awards for

academics had been so widely breached that their integrity could not be maintained as paid rates awards (AIRC, 26 October, 1989). There is, however, no evidence of breaches of paid rates awards in mainstream public employment, even taking into account the deregulation of executive remuneration in government commercial enterprises. It cannot be expected, however, that the Departments of Finance and Industrial Relations would foster a wholesale conversion of public sector paid rates awards to minimum rates awards. Indeed there is some evidence that the Department of Industrial Relations declined to support a proposed approach to the Commission by academic employers to seek such a conversion (*Financial Review*, 8 September 1989).

What is more likely is that the government will seek to extend the principle of performance pay to the upper levels of the administrative service officer structure of the Commonwealth Public Service. Indeed this was proposed as part of the award restructuring negotiations with the Public Sector and Broadcast Union although it was dropped by a Cabinet decision following stop work action by Commonwealth public servants. As wage adjustments become more based on productivity bargaining, it is to be expected that performance based pay will be revived. Indeed the New South Wales Teachers' Federation had to agree to discuss performance appraisal linked to incremental progression for public school teachers in exchange for the first three per cent under the existing wage guidelines (*SMH*, 25 November 1989).

The current models of productivity bargaining being pursued under the structural efficiency principle, are, nevertheless, based upon assumptions about work organisation more relevant to the private sector than to the public sector. The push for award restructuring has come from unions in the manufacturing and traded goods sectors.

The trade-off in a productivity bargaining mode of industrial relations is between the establishment of career structures linked to training for industrial workers in exchange for such measures as rationalisation of classifications structures, broadbanding and multi-skilling (ACTU, 1989).

Indeed commitments to multi-skilling and broadbanding have already been made in public sector contexts as part of second tier wage negotiations. In the Commonwealth Public Service a major process of office restructuring has been undertaken in the last eighteen months. It is not possible to trade-off more than once, modes of work organisation which have already been conceded in principle in earlier negotiations. The difficulties faced by teachers in New South Wales and elsewhere in maintaining established working conditions, when the

scope for the restructuring of existing career structures is limited, also illustrates this point.

Public sector workers, therefore, find themselves at a disadvantage when modes of work organisation which are regarded as appropriate to the private sector, are translated into the public sector. Indeed the push for award restructuring has been largely driven by pressures within the manufacturing sector, it is not necessarily appropriate to the public sector. It reflects the relative lack of influence of public sector unions within the ACTU.

In the context of the fiscal crisis of the state, governments have sought to increase efficiency in public sector employment through subjecting that sector to some of the practices and disciplines of the private competitive market sector. Any deficiencies in legitimisation that may have resulted in such a process has been met by an attempt to redefine the concept of public service to that which is appropriate to "customers" or "consumers". The discourse of public sector efficiency has been legitimised by a discourse of "effectiveness" and "equity" being redefined along private sector lines.

Models of corporate managerialism derived from the private sector have been adopted in the public sector, including the public higher education sector. Aspects of public sector work have been subjected to a number of measures ranging from privatisation, to commercialisation to the promotion of entrepreneurial modes of reward structures and work organisation.

It is, therefore, an error to see higher education as a particular target of the structural adjustment policies of modern liberal democratic governments. Indeed the refusal of many academics to see themselves as public sector workers involved in more conflictual and less collegial relations with their employers is a barrier to the making of appropriate alliances with other parts of public sector to resist or modify the process of structural adjustment.

There are sufficient contradictions involved in subjecting public sector employment to private sector modes of work organisation, reward systems and management models that even governments have some difficulty containing them. In an industrial relations context, both at the level of central regulation and at the "enterprise" level, these contradictions need to be exploited, otherwise the use value of service provision in the public sector will be converted to the exchange value of services provided in the private sector.

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Access to university education in Australia 1852-1990: Changes in the undergraduate social mix*

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In the course of expansion during the later 20th Century Australian university education changed from an elite to a mass system. In 1921 1.4 per cent of 17 to 22 year olds were university students; 60 years later 12 per cent were. In 1990, thanks to expansion, but also to a redefinition of university to include Colleges of Advanced Education, the proportion is over 20 per cent. Until after World War II growth was slow, scarcely keeping pace with population increase. (See Figure 1.) Then suddenly in the mid-1950s a surge in demand started which ever since has caused the university system to grow at a faster rate than the population of school-leavers.

Not all new students are young school-leavers however, and, due to mature age enrolment, the fraction of the population getting a university education at some time or other in their life is considerably higher

than the above proportions. The first quantification of "life-time" participation was made 30 years ago by Borrie (1962, p. 57) who estimated that, of those who reached the age of 16 in 1961, one boy in 6 and one girl in 14 would enrol in university by age 30.

And the Martin Committee, writing in 1963, expected that "by 1975 one-third of males and one-sixth of females will enrol sooner or later during their lifetimes at a (higher education) institution." (p. 35). These were startling figures at the time. In the event the gross estimates were close to what happened, although the 1960s forecasters underestimated women and overestimated men.

Today about 11 per cent of the Australian adult population has a bachelor's degree or equivalent; among those born after 1960 about 16 per cent have degrees. (See Figure 2.) Among those of retiring age (born before 1926) about 5 per cent have degrees. The dip in the curve for the youngest group is due to persons in their 20s, many of whom are yet to graduate. Later in the paper these trends

are analysed in order to see which social groups have had greater access to university education at different times in the 20th Century.

In the post-war development of universities the years 1957 and 1964, when the Murray and the Martin Reports came out, are regarded as pivotal. The idea that universities should be restricted to a small intellectual elite had some currency in the 1950s, but it was not entertained by the Murray Committee. Rather, observing the strength of demand, they advised against controlling numbers with tougher selection and said that universities should be put in a position to accept all qualified applicants and give them a good education. (p. 2). (The UK Robbins Committee took an identical stance using similar phrases in its report. That was in 1963. (p. 8). If Murray had been 5 years after Robbins rather than before would we have said that Murray was influenced?)

The Martin Committee accepted without qualification that the capacity of higher education must be vastly increased. It

* This paper was presented in a series on the History of Australian Universities, Research School of Social Sciences, ANU, 1990.